

Response to the USDA regarding Commercial Availability

Thank you for your interest in QAI's comments regarding the concept of "Commercial Availability". QAI and much of the organic industry has successfully used this model for several years. This has in turn promoted the growth of the industry by stimulating a market for organic ingredients that are traditionally used in small volumes such as spices and flavors as well as accurately meeting the expectations of the consumers. Therefore in response to your request for comment, we submit the following information.

Commercial Availability Factors and Their Relative Importance:

QAI has allowed our certified clients to use non-organic components where there are insufficient quantities of the organic ingredient or in cases where the ingredient does not meet the specification or flavor profile requirements.

Cost is not an allowed reason for using a non-organic ingredient for QAI certified entities. Equally, non-organic seed should not be used based on a price differential. In the case where, an organic ingredient cannot be used because of the increase to the unit cost, the client is allowed to make a "made with organic ..." claim only. This is only after the non-organic ingredients are verified compliant in regards to GMO and processing issues.

At the point when the organic ingredient is available at a "reasonable" cost, the client can replace the non-organic ingredient with the organic ingredient and request an organic status change that would allow the certified organic claim.

Consideration should be made regarding the information that would be used to administer a price equation allowance. If the cost data is provide by the applicant to verify the increased cost, can this information be considered valid?

Activity and Documentation Required to Demonstrate Non-Availability:

Certifiers require their clients to continually monitor the availability of organic minor ingredient. As part of the certification process, the organic processor is required to provide documentation that catalogs all requests from possible suppliers for organic components. These records must clearly show the amount and quality of the available commodity. A minimum of three suppliers must be on file to validate the sourcing effort.

As part of the renewal for certification, the agency again audits these records to verify that the sourcing of these ingredients is continuous. These same systems are used in the certification of producers forced to use non-organic seed sources.

How Consistency Can be Ensured with Multiple Certifiers:

The main challenge for the certification agencies with a "Commercial Availability" requirement, has been the access of information regarding certified commodities. In the past, this has been met with the use of outside organizations. The challenge is more easily met with the adaptation of the database mentioned in the preamble on page 80588. If a discrete location of the database is accessible to the public, processors could quickly verify the existence of ample supplies of organic inputs. Until such time that this database is available, the certifiers can continue to use outside sources of this information. The industry has several third party organizations that can facilitate the identification of possible suppliers. The Organic Trade Association (OTA) and the California Alliance of Family Farmers (CAFF) both maintain clearinghouse information on organic suppliers. The Organic Material Review Institute (OMRI) is also well set-up to aid in the maintenance of organic source and supply information.

Mechanisms for the implementation and the monitoring of this program are already established. The OTA OCC can provide an impartial method of monitoring effective organic sourcing.

Potential Adverse Effects on a Developing Organic Market:

A need for minor organic components on the part of organic processors has fostered a market for organic minor ingredients. The buying power of the organic processors is necessary in order for these vendors to continue to provide organic products.

Economic and Administrative Burdens on Existing Organic Certification Programs:

QAI as well as many other certifiers have effectively used "Commercial Availability" for the mutual benefit of the consumers, processors, producers and the industry as a whole. Therefore, there would be no appreciable burden on our organization regarding this matter. In fact, the availability of database information from all certifiers would allow for a more

straightforward verification of these ingredients. This in turn would save time and expense in the certification process.

The stringent restriction on conventional ingredients used in organic products requires arduous documentation. If an organic alternative is used, compliance with growing and processing methods is assured to be compliant. Of particular interest is the extensive use of irradiation on spices. This process as well as the use of prohibited growing techniques such as fertilizing with sewage sludge, become a problem with regards to enforcement. Imposing the organic principles on the conventional market is not very feasible. In most cases, the spice broker cannot accurately answer these type questions regarding the "up-stream" vendors.

Producer Benefit:

The processors will over time benefit. The supplier of these minor ingredients will provide more of these products at a more consistent quality with competitive prices.

Disincentive for Organic Minor Ingredients:

If in fact, a processor is not required to use organic inputs that are required in small quantities, there is no reason for the extra expense of those components. Moreover in order to be competitive, processors cannot spend the extra on the organic components if their competition is using the less expensive non-organic options. Therefore, no organic spices, herbs or flavors would be purchased.

In summary, over the development of the organic industry, commercial availability has been fundamental in its foundation. The organic products available have increased in their organic content. This has allowed for the products to better meet the expectations of the organic consumers. It may be considered misleading to the consumer if an organic producer is allowed to use conventional components at their discretion. The philosophy of "organic" would be seriously diluted without the inclusion of this condition on ingredients.